

# UST CLEANUP FUND

## FALL 1998

# UPDATE

### UST CLEANUP FUND ISSUE No. 11

MANAGER	DAVE DEANER
ASST. MANAGER	RON MARKLE
PAYMENTS & SETTLEMENTS	STEVE PARADA
PAYMENTS & PRIORITY	JESUS GENERA
TECHNICAL REVIEW	MIKE MOSBACHER
TECHNICAL REVIEW	JIM MUNCH
CLAIMS REVIEW	DIANA ROMERO
ADMINISTRATION	DOUG WILSON
UPDATE EDITOR	DEE DEE FIEDLER

The UST Cleanup Fund UPDATE is provided only as a general information guide and is intended to respond to many of the questions being asked about the status of the Fund.

The information provided within this publication is not intended as legal advice.

We invite your comments and encourage written suggestions on what you would like to see in future issues of the UPDATE. Suggestions and comments can be mailed to:

STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF CLEAN WATER PROGRAMS  
UST CLEANUP FUND  
ATTENTION: DEE DEE FIEDLER  
P. O. BOX 944212  
SACRAMENTO, CA 94244-2120

### IN THIS ISSUE

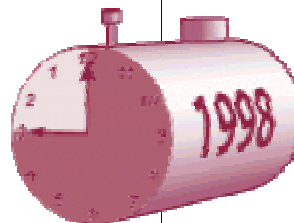
- ✓ **UPGRADE REQUIREMENTS**
- ✓ **REVISED PRIORITY LIST**
- ✓ **1997 ANNUAL REPORT**
- ✓ **"DEAR DAVE . . ."**

## What You Need To Know To Meet The Upgrade Deadline . . .

### *Do I need to upgrade?*

Generally speaking, tanks installed prior to January 1, 1984, need to be upgraded or replaced. The following are some examples; however, there are exceptions, so check with your local agency to be sure:

- ☆ All single-wall unprotected steel tanks storing motor vehicle fuel
- ☆ All tanks that don't have spill and overflow prevention and striker plates
- ☆ All single-wall tanks containing hazardous substances such as chemicals (these must be replaced)



### *What options do I have to meet the UST deadline?*

There are three options:

- ☆ Close the tank system (be sure to get a licensed contractor and follow closure requirements in Article 7 of California's UST Regulations)
- ☆ Replace the existing system with a new double containment system (in accordance with Article 3 of California's UST Regulations)
- ☆ Upgrade the system (in accordance with Article 6 of California's UST Regulations)

### *What is upgrading?*

Upgrading means bringing an UST system, including piping, up to current regulatory standards. Depending on what kind of system you have, it may mean installing any one or a combination of the following:

- ☆ **Interior lining** - a material that is applied to the inside of the tank to provide another barrier to prevent leaks and to provide corrosion protection to the inside metal.

### *Does piping also need to be either upgraded or replaced?*

Yes. Any piping that does not have secondary containment or corrosion protection must either be upgraded with corrosion protection, subject to local agency verification that the piping is structurally sound, or replaced with secondary containment.

- ☆ **Corrosion protection** - corrosion occurs when bare metal, soil, and moisture combine to produce an electric current that destroys the metal. Over time, corrosion creates holes in tanks and then leaks occur. To protect against corrosion, you may do one of the following: add interior lining to the tank and install cathodic protection for both the tank and piping, or replace your system with a double-walled tank and piping that have corrosion protection.
- ☆ **Spill container** - a container installed around the fill pipe to contain spills during deliveries to the tank.
- ☆ **Overfill prevention equipment** - overfills happen when someone tries to put more product into a tank than it will hold. There are three main types of overfill prevention: automatic shutoff devices, ball float valves, and overfill alarms.
- ☆ **Striker plates** - steel plates that are installed inside the tank below all openings or mounted on the bottom of the fill tube to protect the tank bottom.
- ☆ **Automatic pump shut off feature** - the flow of product in the pipe is automatically shut off whenever a leak is detected or, in some cases, when the monitoring system fails or is disconnected.

### ***Does the tank's contents determine what choice I have with respect to replacing or upgrading?***

Yes. If your tank holds motor vehicle fuel, you can upgrade or replace it. However, if your tank holds a hazardous substance other than motor vehicle fuel or a petroleum product then it needs to be replaced with a double-walled tank.

### ***Do upgraded systems need periodic inspections?***

Yes. If you upgrade a bare steel tank then inspections will include:

- ☆ Interior lining within 10 years of installation and every 5 years thereafter;
- ☆ Cathodic protection systems within 6 months of installation and then every 3 years. Impressed current systems must also be checked every 60 days;

- ☆ Cathodic protection systems within 6 months of any repair or modification to a UST facility where the cathodic protection system may have been affected.

### ***How are upgraded tanks and piping monitored?***

In accordance with the monitoring options for any single-wall tank system, including automatic tank gauging, statistical inventory reconciliation, manual tank gauging for small tanks, and tank and/or piping integrity testing.

### ***How will the deadline affect when I should upgrade?***

December 22, 1998, is not the deadline for beginning the job - that's when it has to be finished. If it's not finished, the tank goes out of service.

### ***Do I need approval?***

Regardless of which way you intend to meet the deadline, you must notify your local agency before you begin. In California, local agencies may be either city or county offices - the same agency that issued your UST operating permit.

### ***Can I get financial help?***

Yes. The California Trade and Commerce Agency, Office of Small Business, offers low interest loans to small businesses with USTs. Call the Office of Small Business in Sacramento at (916)323-9879 for information on the "Repair/Replace Underground Storage Tank Loan Program (RUST)"

### ***Regulatory Requirements***

- ☆ "Don't Wait Until It's Too Late" - California requirements for upgrading USTs
- ☆ "California UST Regulations" - Title 23, Division 3, Chapter 16, California Code of Regulations

For copies, fax your request to (916)227-4349 or write to:

Underground Storage Tank Program  
P. O. Box 944212  
Sacramento, CA 94244-2120



**THE  
DECEMBER 22,  
1998  
DEADLINE WILL  
NOT BE  
EXTENDED**

# ... Briefly Speaking

## REVISED PRIORITY LIST NOW AVAILABLE

The Fund's revised Priority List was adopted on May 27, 1998, and is now available on our web site. The revision includes those claimants who originally were rejected and have been successful in their appeals to the Division.

During the development of the initial Priority List, claimants were ranked randomly within their respective priority classes. In the development of revised lists, claimants have had their rank determined based on the date their claim was received by the Fund. These claimants were then added to the revised list in their respective categories below those claimants already on the Priority List.

The Priority List is dynamic and the ranking of a claim may rise or fall as claims are deleted from or added to the list as a result of decisions on appeals. The SWRCB makes interim updates to the Priority List to reflect these decisions. ❖

## COMINGS & GOINGS . . .

Walt Pettit, SWRCB's Executive Director, announced in July that Harry Schueller was appointed Chief of the Division of Water Rights and Edward C. Anton has taken over the position of Chief of the Division of Clean Water Programs.

Harry has been Chief of the Division of Clean Water Programs for the past 10 years and has brought about many dynamic changes to the various programs within the Division. With his new assignment, Harry can boast that he is the only Chief that has served with each and every division within the SWRCB. We wish him much success in his new position.

Ed was formerly Chief of the Division of Water Rights and has held a wide variety of positions during his tenure with the SWRCB that began in 1972. We welcome Ed and look forward to a great working relationship with him.

Closer to home, Dave Deaner announced in September the promotions of Doug Wilson and Diana Romero to Staff Services Manager I. Doug will oversee the administrative functions of the Fund, and Diana will head up the Claims Review Section. Congratulations to all. ❖

## LOAN FUNDS AVAILABLE

The Removal/Replacement of Underground Storage Tanks (RUST) loan program is a low interest rate loan program administered by the California Trade and Commerce Agency and is designed to assist small business owners in complying with the December 22, 1998, upgrade compliance requirements.

The RUST program began in 1990. Since then, funds appropriated through the annual State Budget Act has financed over 370 business loans totaling over \$60 million. The 1998-99 Budget Bill includes an additional \$25 million for this program.

If you are a business owner in need of financing the removal and replacement of USTs, we encourage you to call Eric Watkins, Program Manager, at (916) 323-9879. ❖

## UPDATED REGULATIONS

The Fund's regulations are undergoing extensive changes, most of which are for better organization and clearer understanding. The provisions contained in SB 562 (Thompson) that affect the Fund are also being added. We hope to have copies for public comment available in November. ❖

## 1997 ANNUAL REPORT

The Fund's 1997 Annual Report is now available on our web site and provides an overview of the legislation establishing the Fund and improvements made to the program over the past year. A fiscal status report listing the Fund's current financial balance as of September 30, 1997, and a section on enacted and proposed legislation is also included in the 1997 report.

The SWRCB is required to prepare an annual report to the Legislature describing the status of the Fund. Although Assembly Bill 116 (Chapter 870, Statutes of 1996) established a moratorium on the preparation and submission of the report until October 1, 1999, the Fund has prepared the 1997 report as a continuing effort to provide quality customer service to our claimants and other constituents.

As with all Fund publications, copies can be obtained by calling (900) 613-FUND. ❖



# "Dear Dave . . ."

*This feature answers questions of general interest raised by claimants and other interested parties. Questions on specific claims will not be addressed and should be referred to your claims representative. If you have any questions of general interest, please send them to the address listed on Page 1 of this Update.*

**Q** *What happens if a tank owner doesn't comply with the upgrade requirements?*

**A** The owner of a non-upgraded petroleum UST will not be able to receive product after January 1, 1999. Anyone continuing to operate a non-upgraded UST after the deadline is subject to fines up to \$5,000 per day per tank.

Owners and operators that fail to comply with the December 22, 1998 upgrade deadline also jeopardize their eligibility to file a claim to the Fund for assistance with any required cleanup.

**Q** *I've heard that new tanks may be leaking MTBE. Is this true?*

**A** The California requirements for new and upgraded UST systems meet or exceed standards developed by the US EPA, the American Society for Testing and Materials, the American Petroleum Institute, Underwriters Laboratories and other nationally recognized standards agencies. New tanks that are properly installed and operated should not leak, and any leaks should be detected before entering the environment. Similarly, leaks from properly operated and maintained upgraded tanks should be quickly detected before significant leakage occurs.

Nevertheless, at the request of Governor Pete Wilson, the SWRCB has formed a panel of representatives from government, industry and water management agencies to look into this question. The

panel plans to complete its work by the end of 1998.

**Q** *How can I tell if the tanks at a gas station have been upgraded?*

**A** During the next few months, local UST permitting agencies will be issuing blue and white upgrade compliance certificates and fill pipe tags to upgraded facilities. The certificate should be displayed in a prominent location at facilities having met the upgrade requirements..

**Q** *Once I receive my reimbursement check from the Fund, can I just sign it over to my vendor or consultant?*

**A** The Fund advises that you deposit the reimbursement check into your own account and then make payment to your vendor or consultant from that account. This not only creates a much cleaner paper trail but will speed up the payment process for your next reimbursement request.

In order to continue receiving reimbursement, you must show proof that you have made payment to the vendor or consultant by submitting a copy of the cancelled check. If the reimbursement check is signed directly over to the vendor or consultant, it may be difficult to obtain a copy of the cancelled check and, if a copy of the cancelled check has to be obtained from the State Controllers Office, reimbursement payments can be delayed for up to eight weeks. ❖

## FUND EFFECTIVENESS - AS OF SEPTEMBER 1, 1998:

- The Fund has received 13,508 applications, and of those applications, 10,782 have been approved
- There are 18 Priority Class A claims, 182 Priority Class B claims, 303 Priority Class C claims, and 4,217 Priority Class D claims on the Priority List.
- 6,132 Letters of Commitment (LOCs) have been issued in the amount of \$698 Million

---

## UST CLEANUP FUND UPDATE

STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF CLEAN WATER PROGRAMS  
P. O. Box 94244-2120  
SACRAMENTO, CA 94244-2120

### HIGHLIGHTS . . .

- ✓ *UPGRADE REQUIREMENTS*
  - ✓ *REVISED PRIORITY LIST*
  - ✓ *1997 ANNUAL REPORT*
  - ✓ *"DEAR DAVE . . ."*
-